



News Release

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IRS SUGGESTS TEN WAYS TO AVOID PROBLEMS AT TAX TIME

WASHINGTON – For taxpayers looking for ways to avoid the last-minute rush for preparing and filing tax returns, the Internal Revenue Service offers these tips:

1. **ORGANIZE TAX RECORDS.** Tax preparation time can be significantly reduced for taxpayers who develop a system for organizing their records and receipts. Start with the income, deduction or tax credit items that were on last year's return.
2. **DON'T PROCRASTINATE.** Resist the temptation to put off doing taxes until the last minute. Hurrying to meet the filing deadline may cause a taxpayer to overlook potential sources of tax savings and could increase the risk of making an error.
3. **VISIT THE IRS ONLINE.** Taxpayers accessed the IRS Web site at *IRS.gov* more than 3 billion times in 2002. Anyone with Internet access can download tax forms, instructions and publications as well as tax law information and answers to frequently asked tax questions.
4. **TAKE ADVANTAGE OF FREE TAX ASSISTANCE.** The IRS offers recorded messages on about 150 tax topics through its TeleTax service at 1-800-829-4477. It also offers federal tax forms and publications at 1-800-TAX-FORM (1-800-829-3676). Many post offices and libraries carry the most widely requested forms and instructions. Libraries may also have reference sets of IRS publications. Taxpayers needing IRS forms or publications should act soon to be sure they have the items in time to meet the April deadline.

The IRS also staffs a Tax Help Line for Individuals at 1-800-829-1040, 7:00 a.m. to 10:00 p.m. on weekdays and 10:00 a.m. to 3:00 p.m. on Saturdays through April 12 and on Sunday, April 13 (all times are local, except in Alaska and Hawaii, which should use Pacific Time). Help for small businesses, corporations, partnerships and trusts who need information or help preparing business returns is available at the Business and Specialty Tax Line at 1-800-829-4933. Hearing-impaired individuals with access to TTY/TDD equipment may call 1-800-829-4059 to ask questions or to order forms and publications.

5. **USE IRS TAXPAYER ASSISTANCE CENTERS AND VOLUNTEER PROGRAMS.** Tax help is available at more than 400 IRS offices nationwide. To obtain the location, dates and hours of the Volunteer Income Tax Assistance and Tax Counseling for the Elderly programs, call the IRS toll-free Tax Help Line for Individuals at 1-800-829-1040, or check the local newspaper. The IRS Web site, *IRS.gov*, contains information on local IRS offices.

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6. USE ELECTRONIC REFUND OPTIONS. One way to speed up an expected refund and reduce the chance of theft is to have the refund amount deposited directly to the taxpayer's bank account by the IRS. The tax instruction booklet gives details on entering the financial institution's routing numbers and the taxpayer's account numbers on the tax return. Make sure the numbers entered on the form are correct.

For checking on the status of a refund, a new option this year is "Where's My Refund," an Internet-based service available on *IRS.gov*. Simple online instructions guide taxpayers through a process that checks the status of their refund after they provide identifying information shown on their tax return. The results also include links to customized information that is based on the taxpayer's specific situation. The links guide taxpayers through the next steps needed to resolve any issues that may be affecting their refund.

7. FILE ELECTRONICALLY. About 47 million taxpayers filed their returns electronically in 2002. Aside from ease of filing, IRS e-file is the fastest and most accurate way to file a tax return. For those due a refund, the wait time for e-filers is half that of paper filers. This year, the IRS Web site, *IRS.gov*, is hosting a link to the Free File page, a free tax preparation and electronic filing program for eligible taxpayers.

8. DOUBLE-CHECK MATH AND DATA ENTRIES. Taxpayers should review their return for possible math errors and make sure the names and Social Security or other identification numbers for themselves, their spouse and dependents are correct and legible.

9. DON'T PANIC IF IMMEDIATE PAYMENT IS NOT AN OPTION. For those who can't immediately pay the taxes due, consider some stress-reducing alternatives. A taxpayer can apply for an IRS installment agreement, suggesting their own monthly payment amount and due dates, and getting a reduced late payment penalty rate. Taxpayers also have various options for charging their balance due on a credit card, either as part of an electronic return or via a phone call to a processing agent. Official Payments Corporation may be reached at 1-800-2PAY-TAX (1-800-272-9829) or at *www.officialpayments.com*. The Link2Gov Corporation may be reached at 1-888-PAY-1040 (1-888-729-1040) or at *www.pay1040.com*. There is no IRS fee for credit card payments, but the processor charges a convenience fee. Electronic filers with a balance due can file early and authorize the government's financial agent to take the money directly from their checking or savings account on the due date.

Taxpayers who file their tax return or a request for an extension on time, even if they can't pay, avoid potential late filing penalties.

10. REQUEST AN EXTENSION OF TIME TO FILE. If the clock runs out, taxpayers can get an automatic four-month extension of time to file, to August 15. An extension of time to file is not an extension of time to pay, however. Taxpayers may call 1-888-796-1074, e-file a Form 4868 that is included in most tax preparation software, or send a paper Form 4868 to

the IRS. Those who request the extension by computer or phone will need their adjusted gross income and total tax amounts from their 2001 tax return. Taxpayers who charge their expected balance on a credit card don't have to file the form. Contact Official Payments Corporation or Link2Gov Corporation. There is no IRS fee for credit card payments, but the processors charge a convenience fee.

The extension itself does not give a taxpayer more time to pay any taxes due. The taxpayer will owe interest on any amount not paid by the April deadline, plus a late payment penalty if at least 90 percent of the total tax due has not been paid by April 15.

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